

Message Text

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ACTION EUR-12

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FM MEMBASSY BELGRADE
TO SECSTATE WASHDC 6786

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TAGS: ENRG, TECH, YO

SUBJ: KRSKO: DRAFT GOY LETTER FROM FOREIGN SECRETARY VRHOVEC TO
SECRETARY VANCE

REF: BELGRADE 4142

BEGIN TEXT: I HAVE THE HONOUR TO REFER TO THE MATTER OF
SUPPLY OF THE US NUCLEAR FUEL FOR THE KRSKO NUCLEAR POWER PLANT
WHICH REMAINED OUTSTANDING AFTER WE HAD, ON 12 MAY 1977, SOLVED
THE PROBLEM OF SUPPLY OF EQUIPMENT FOR OUR FIRST NUCLEAR POWER
PLANT. THE DIFFICULTIES AND DIFFERENCES IN OPINIONS WHICH AROSE
AT THAT TIME, AND STILL APPEAR, WERE DUE TO THE REQUEST OF THE
UNITED STATES GOVERNMENT TO REVISE THE EXISTING AGREEMENTS ON
THE CONSTRUCTION OF THE KRSKO NUCLEAR POWER PLANT, I.E., THE
REQUEST OF THE US GOVERNMENT FOR ADDITIONAL BILATERAL SAFEGUARDS.

I WOULD LIKE TO TAKE THIS OPPORTUNITY TO REPEAT THAT THE
GOVERNMENT OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA HAS
IN ITS POLICY ALWAYS AND CONSISTENTLY PLEDGED ITSELF FOR NUCLEAR
DISARMAMENT AND HAS, CONSEQUENTLY, ATTACHED EXCEPTIONAL
IMPORTANCE TO THE HALTING OF THE NUCLEAR ARMS RACE AND PROHIBITION
OF PRODUCTION, STOCKPILING AND USE OF NUCLEAR WEAPONS. BY
RATIFYING THE TREATY ON NON-PROLIFERATION OF NUCLEAR WEAPONS
(NPT) AND BY ACCEPTING THE AGENCY'S MULTILATERAL SAFEGUARDS
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SYSTEM IT HAS, FOR ITS PART, UNDERTOOK NOT TO PRODUCE NOR PROCURE
NUCLEAR WEAPONS OR NUCLEAR EXPLOSIVES AND ALSO THAT IT WILL NOT
USE FOR MILITARY PURPOSES NUCLEAR TECHNOLOGY AND TECHNIQUES
WHICH IT RECEIVES. THE GOVERNMENT OF THE SFR OF YUGOSLAVIA
HAS MOST FAITHFULLY ADHERED TO THE MENTIONED COMMITMENTS AND
THIS CONSTITUTES A LASTING COMPONENT OF ITS POLICY.

I WOULD LIKE TO NOTE THAT THE GOVERNMENT OF THE SFR OF

YUGOSLAVIA, BEING CONSISTENT TO ITS POLICY OF NON-PROLIFERATION OF NUCLEAR WEAPONS, HAS IN CONNECTION WITH THE CONSTRUCTION OF THE KRSKO NUCLEAR POWER PLANT UNDERTAKEN AS FOLLOWS:

A) UNDER THE AGREEMENT BETWEEN THE GOVERNMENT OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA AND THE INTERNATIONAL ATOMIC ENERGY AGENCY, YUGOSLAVIA HAS UNDERTAKEN THAT THE REACTOR FOR THE KRSKO NUCLEAR POWER PLANT AND ANY NUCLEAR MATERIAL CONTAINED, USED, PRODUCED OR PROCESSED IN, OR BY THE USE OF THE REACTOR, SHALL NOT BE USED IN SUCH A WAY AS TO FURTHER ANY MILITARY PURPOSE;

B) THE SAME AGREEMENT SPECIFIES THAT THE SAFEGUARDS' RIGHTS AND RESPONSIBILITIES OF THE AGENCY PROVIDED FOR IN PARAGRAPH A OF ARTICLE XII OF ITS STATUTE ARE RELEVANT TO THE KRSKO NUCLEAR POWER PLANT, AND THAT THEIR IMPLEMENTATION IS SATISFIED BY THE APPLICATION OF SAFEGUARDS PROCEDURES PURSUANT TO THE AGREEMENT BETWEEN THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA AND THE INTERNATIONAL ATOMIC ENERGY AGENCY FOR THE APPLICATION OF SAFEGUARDS IN CONNECTION WITH THE TREATY ON NON-PROLIFERATION OF NUCLEAR WEAPONS;

C) THE GOVERNMENT OF THE SFR OF YUGOSLAVIA WILL DO EVERYTHING WITHIN ITS COMPETENCE TOWARDS THE IMPLEMENTATION OF THE PROVISIONS OF THE AGREEMENT CONCLUDED BETWEEN THE NUCLEAR POWER PLANT KRSKO CONSORTIUM AND THE EXPORT-IMPORT BANK, OF 25 JULY 1974, TO THE EFFECT THAT NO EQUIPMENT OR MATERIALS SUPPLIED BY THE UNITED STATES TO THE KRSKO POWER PLANT WILL BE EXPORTED TO OR USED IN ANY OTHER COUNTRY, LEASED, SOLD OR OTHERWISE DISPOSED.
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WE ARE CONVINCED THAT THE COMMITMENTS CITED ABOVE ARE FULLY CONSISTENT WITH THE NUCLEAR WEAPONS NON-PROLIFERATION OBJECTIVES OUR TWO COUNTRIES SUPPORT AND ARE, THEREFORE, ENTIRELY IN KEEPING WITH PREVENTION OF POSSIBLE MISUSES AND COMPLY WITH THE UNITED STATES REQUIREMENTS CONCERNING THE NON-PROLIFERATION OF NUCLEAR WEAPONS.

AS YOU ALREADY KNOW THE GOVERNMENT OF THE SFR OF YUGOSLAVIA HAS, IN OCTOBER 1977, RESPONDED TO THE INVITATION OF THE UNITED STATES GOVERNMENT TO PARTICIPATE IN THE INFCE STUDIES AND CONTRIBUTE TO THE SOLUTION OF PROBLEMS RELATED TO THE USE OF NUCLEAR ENERGY. YUGOSLAVIA HAS, TOGETHER WITH OTHER PARTICIPANTS AT THE AFOREMENTIONED CONFERENCE, INCLUDING THE UNITED STATES, SUPPORTED THE ATTITUDE THAT NUCLEAR ENERGY FOR "PEACEFUL PURPOSES SHOULD BE MADE WIDELY AVAILABLE" AND EXPRESSED ITS "CONVICTION THAT EFFECTIVE MEASURES CAN AND SHOULD BE TAKEN AT THE NATIONAL LEVEL AND THROUGH INTERNATIONAL AGREEMENTS WHICH WOULD CONTRIBUTE TO MINIMIZE THE DANGER OF THE PROLIFERATION OF NUCLEAR WEAPONS WITHOUT JEOPARDIZING NUCLEAR ENERGY SUPPLY FOR PEACEFUL PURPOSES."

WE ARE CONVINCED AS WELL AS OTHER PARTICIPANTS OF THE CONFERENCE THAT WHILE THE INFCE STUDIES ARE BEING CARRIED OUT AND NEW SOLUTIONS, CONFIRMED BY THE INTERNATIONAL COMMUNITY ARE NOT ADOPTED, THERE

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TO SECSTATE WASHDC 6787

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MUST NOT BE ANY CHANGES IN THE EXISTING ARRANGEMENTS FOR NUCLEAR
FUEL SUPPLY AND TRANSFER OF NUCLEAR TECHNOLOGY.

THE SFR OF YUGOSLAVIA HAS NOTED THAT THE GOVERNMENT OF THE
UNITED STATES AFFIRMS ITS INTEREST IN THE TIMELY ISSUANCE OF
NECESSARY LICENSES FOR EXPORT OF FUEL FOR THE FIRST CORE AND
FIRST RELOAD AS WELL AS SUBSEQUENT FUEL FOR THE KRSKO NUCLEAR
POWER PLANT AS MAY BE REQUESTED, IN ACCORDANCE WITH THE EXISTING
AGREEMENTS INCLUDING THE AGREEMENT FOR FURNISHING URANIUM ENRICH-
MENT SERVICES UNDER THE AGREEMENT FOR COOPERATION OF 14 AUGUST
1974, ("THE CONTRACT"). IT IS UNDERSTOOD THAT UNDERTAKINGS OF
THE KRSKO POWER PLANT CONSORTIUM ACCORDING TO THE AGREEMENT
CONCLUDED WITH THE EXPORT-IMPORT BANK SHALL APPLY TO ALL NUCLEAR
FUEL THE KRSKO NUCLEAR POWER PLANT MAY RECEIVE UNDER THIS
ARRANGEMENT.

HAVING IN MIND THAT THE UNITED STATES CONSIDERS DISPOSAL OF
IRRADIATED FUEL A PARTICULAR PROBLEM, THE GOVERNMENT OF THE
SFR OF YUGOSLAVIA WOULD LIKE TO STATE THE FOLLOWING:

THE SFR OF YUGOSLAVIA IS READY TO STORE THE IRRADIATED US
FUEL, IN ADEQUATE STORAGE FACILITIES ON THE TERRITORY OF THE
SFR OF YUGOSLAVIA FOR A PERIOD OF TIME SUFFICIENT FOR ITS POSSIBLE
SUBSEQUENT USE IN SUPPORT OF THE ECONOMIC DEVELOPMENT OF THE
SFRY AND IN ACCORDANCE WITH THE NON-PROLIFERATION OBJECTIVES.
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THE SFR OF YUGOSLAVIA FURTHERMORE EXPRESSES ITS READINESS TO EXPAND ITS IRRADIATED FUEL TEMPORARY STORAGE FACILITIES AND NOTES WITH PLEASURE THE INTENTION OF THE UNITED STATES GOVERNMENT TO PROVIDE APPROPRIATE SUPPORT TO THESE EFFORTS.

WITH RESPECT TO DISPOSITION OF THE US FUEL IRRADIATED IN THE KRSKO NUCLEAR POWER PLANT THE SFR OF YUGOSLAVIA SHALL ACCOMPLISH SUCH DISPOSITION IN ACCORDANCE WITH THE ALTERNATIVES SET FORTH BELOW:

- A. STORAGE IN THE SFR OF YUGOSLAVIA;
- B. STORAGE, PROCESSING OR OTHER DISPOSITION IN ACCORDANCE WITH THE INTERNATIONALLY ACCEPTED ARRANGEMENTS TO WHICH BOTH THE GOVERNMENT OF THE SFR OF YUGOSLAVIA AND THE GOVERNMENT OF THE UNITED STATES MAY SUBSCRIBE;
- C. STORAGE IN THE UNITED STATES FOR A FIXED FEE UNDER RELATED COMMERCIAL ARRANGEMENTS.

WITH RESPECT TO FURTHER USE OF THE MENTIONED STORED IRRADIATED FUEL THE GOVERNMENT OF THE SFR OF YUGOSLAVIA REAFFIRMS ITS READINESS TO ENTER INTO NEGOTIATIONS ON DISPOSITION OF FUEL IRRADIATED IN THE REACTOR OF THE KRSKO NUCLEAR POWER PLANT WITHIN THE FRAMEWORK OF THE EXISTING INTERNATIONAL AGREEMENTS AND FUTURE MULTILATERAL AGREEMENTS WHICH COULD REGULATE THIS MATTER AS STATED IN THE LETTER EXTENDED TO YOU BY MR. M. MINIC, VICE PRESIDENT OF THE FEDERAL EXECUTIVE COUNCIL AND FEDERAL SECRETARY FOR FOREIGN AFFAIRS ON 12 MAY 1977.

THE GOVERNMENT OF THE SFR OF YUGOSLAVIA UNDERSTANDS THAT THE UNDERTAKINGS CITED ABOVE REFER TO THE FIRST CORE AND FIRST RELOAD AND ANY OTHER SUBSEQUENT RELOAD THAT MAY BE REQUESTED AND TRANSFERRED. THESE UNDERTAKINGS MAY BE TERMINATED, IT BEING UNDERSTOOD THAT SUCH TERMINATION SHALL NOT AFFECT THE RIGHTS AND OBLIGATIONS OF THE PARTIES (INCLUDING THOSE SET FORTH IN THIS LETTER) WITH RESPECT TO FUEL TRANSFERRED TO THE SFR OF YUGOSLAVIA PRIOR TO SUCH TERMINATION. NOTHING IN THESE ARRANGEMENTS IS MEANT TO AFFECT THE TERMS OR CONDITIONS OF THE LIMITED OFFICIAL USE

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AGREEMENT FOR FURNISHING URANIUM ENRICHMENT SERVICES UNDER AGREEMENT FOR COOPERATION OF 14 AUGUST 1974, AND THE AGREEMENT FOR THE SUPPLY OF URANIUM ENRICHMENT SERVICES FOR A NUCLEAR POWER FACILITY IN THE SFR OF YUGOSLAVIA OF 14 JUNE 1974.

IN CONCLUSION, I WOULD LIKE TO NOTE THAT SHOULD THE SFR OF YUGOSLAVIA OR THE UNITED STATES SUBSCRIBE TO ANY NEW INTERNATIONAL AGREEMENT WHICH WOULD REFER TO ISSUES REGULATED BY THIS AGREEMENT, THE GOVERNMENT OF THE SFR OF YUGOSLAVIA EXPRESSES ITS READINESS TO ENTER PROMPTLY INTO NEGOTIATIONS ON NECESSARY MODIFICATIONS FOR THE IMPLEMENTATION OF THOSE AGREEMENTS, UNLESS THEIR IMMEDIATED IMPLEMENTATION HAS BEEN PROVIDED FOR THEREIN. END TEXT.
EAGLEBURGER

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